

SOFF- FINANCIAL REPORT FOR THE 3RD QUARTER 2004

- Operating revenue for the 3rd quarter was NOK 224 million compared to NOK 257 million for the same period last year
- Operating result after depreciation (EBIT) for the 3rd quarter was NOK 55 million compared to NOK 77 million for the equivalent period last year.
- The operating revenue for the first three quarters of 2004 was NOK 646 million, compared to NOK 750 million for the previous year.
- Per 30.09.04, the result before tax was NOK 46 million after posting a currency loss of NOK 45 million and a currency gain of NOK 14 million.

Profit & Loss Account	01.07-30.09 2004	01.07-30.09 2003	01.01-30.09 2004	01.01-30.09 2003	Totalt 2003
Operating revenue	224,375	256,898	623,858	750,117	993,926
Profit on sale of assets	0	0	22,133	0	0
Operating expenses	-100,330	-117,881	-335,317	-355,874	-475,178
Depreciation/write down	-68,972	-61,725	-194,224	-178,168	-240,359
Operating result (EBIT)	55,073	77,292	116,450	216,075	278,389
Share in result from assoc. companies	3,031	3,588	13,489	12,770	12,208
Net currency gain/loss	23,061	35,214	-31,064	-17,207	-11,093
Other financial postings	-14,996	-23,066	-52,996	-69,299	-86,711
Result before tax	66,169	93,028	45,879	142,339	192,793
Taxes	-246	2,286	-1,336	-3,365	-9,185
Result	65,923	95,314	44,543	138,974	183,608
Number of shares (1.000)	37,762	35,221	37,762	35,237	35,234
Result per share/watered result per share	1.75	2.61	1.17	3.94	5.21

Balance	30/09/2004	30/09/2003	31/12/2003
Fixed assets	4,462,113	4,288,745	4,313,808
Current assets	766,794	600,049	684,354
Total assets	5,228,907	4,888,794	4,998,162
Equity incl minority interests	2,150,492	1,986,339	1,990,968
Other long-term liability	2,909,199	2,785,508	2,797,225
Short-term liabilities	169,216	116,947	209,969
Total equity and liabilities	5,228,907	4,888,794	4,998,162

Economy and Finance

The operating revenue for the third quarter of 2004 was NOK 224,4 million, which is NOK 32,5 million lower than for the same period last year. Turnover for the three first quarters was NOK 646,0 million (including a profit on sale of assets of NOK 22,1 million), which is NOK 104,1 million lower than the previous year.

As a result of the weakened USD and a stronger GBP since the beginning of the year, an unrealized currency loss of NOK 45,5 million was posted for the first three quarters of 2004. For the same reason NOK 14,4 million was posted in realized currency gain tied to the increased value of the Group's currency deposits.

The hedging effect of the cash flow is included in the operating revenue with NOK 8,7 million.

Per 30.09.04, the Group had a cash flow from operations (EBITDA) of NOK 287,0 million which is NOK 43,6 million lower than the previous year. EBITDA for the third quarter alone was NOK 118,7 million (130,0 million).

The Group's net interest-bearing debt at the end of the third quarter of 2004 was NOK 2.134,7 million which is a decrease of NOK 38,5 million for the third quarter. This reduction is mainly due to the strength of the Norwegian Kroner against the USD.

The interest-bearing long-term debt at 30.09.04 was NOK 2.855,7 million, split between 43%USD, 35%GBP, 17%NOK, and 5%EURO. At the end of the quarter, 3-5 year hedging agreements were entered into for approximately 16% of the total long-term debt.

Booked equity at 30.09.04 was NOK 2.150,5 million, giving approx. NOK 57 per share.

The utilization for the Company's fleet per 30.09.04 has been around 87%. At the end of September, the Group's fleet had contract coverage of approx. 72% for the remainder of 2004, based on number of days. Including options, the coverage was approximately 74%. In 2005, contract coverage is currently around 42% and 48% respectively.

The income in the last quarter will be influenced by three of the Group's large AHTS/PSV operating in the spot market and in addition, the cable laying vessel Normand Clipper went off contract at the end of October, and is for the moment laid up.

The quarterly accounts are prepared in accordance with the same accounting principles as the previous annual accounts and in accordance with the Norwegian accounting standard for interim reporting.

Market

The number of available vessels in the North Sea has also been stable so far after the second half of 2004 and this, combined with increased activity, has improved the market outwards the third quarter. This trend continued after the end of the quarter but at the end of October there was a slump in the market, mainly caused by a long-term strike onboard some exploration rigs being called off. The number of vessels available is still limited and therefore the North Sea market is expected to be satisfactory ahead. Activity in areas outside the North Sea continues to go well and there is a continued demand for modern vessels.

In the longer term, increased activity is expected in the oil and gas industries; particularly in exploration and production in deep water areas outside the North Sea and improved exploitation of existing fields/developments (maintenance and subsea services). The North Sea market is expected to be good for the coming years.

The Fleet

In total the Group has a fleet of 25 vessels, , 3 are operating on the Brazilian Continental Shelf, 2 are in the Gulf of Mexico, 1 is in West Africa, 4 are in the Mediterranean, 3 are in India and 1 vessel is laid up while the other 11 vessels are in the North Sea area. At the beginning of November, further 2 of the Group's anchorhandling vessels will leave the North Sea, for operation in Malaysia. In addition the Company has 3 vessels under construction.

In addition, the 50% owned Brazilian company NorSkan Offshore Ltda has 2 vessels in operation and 1 newbuilding on order with a delivery date around the end of this year.

The Company and its Shareholders

The company has, at present 1.430 shareholders. The percentage owned by foreign shareholders is in excess of 8%. The share rate today is NOK 56, which brings the market value for the Group to approximately NOK 2.115 million. At the beginning of the year the share value was NOK 46.

The company will quantify the effects of the implementation of IFRS in connection with the publication of the financial report for the 4th quarter.

Skudeneshavn 04.11.04.

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